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SECTION I. PROPOSALS REQUIRING ADOPTION OF OTHER ADMINISTRATIVE AUTHORITIES

A. Recommended by Committee

1. PROPOSAL: Authorize the payment of travel and transportation expenses to an employee retiring under the Central Intelligence Retirement Act regardless of his PCS point (United States or abroad) to a place he designates in the United States, its territories or possessions.

Present Regulation: Travel and transportation expenses may be authorized for an employee retiring abroad, regardless of the source of retirement--CSCR or CIAR.

Recommendation: The Committee recommends approval of the above proposal.

Comment: The Foreign Service Act provides a greater travel benefit for some retiring employees than does the CIA Act. Travel and transportation costs are authorized for Foreign Service Officers upon retirement irrespective of the location of their post of assignment, whereas CIA personnel are not granted a travel benefit upon retirement unless they retire abroad. It would seem that the Agency could pattern its authorities along the Foreign Service Act by authorizing the payment of travel costs to persons in the Agency whose careers most closely resemble those of Foreign Service Officers; namely, participants under the CIA Retirement Act. In this regard, the deliberations that went into the development of a rationale for granting the special benefits of the CIA Retirement System to selected Agency personnel are well known, and it is significant that the standards finally arrived at, e.g., career commitment and length of overseas service, bear Congressional approval.

While the Foreign Service Act, as amended, authorizes the Secretary of State to pay travel and transportation costs on the termination of an employee's services (retirement or resignation) "to the place where he will reside," the State Department has construed this phrase, by regulation, to mean the employee's officially recorded place of residence in the U. S. The Committee believes it is neither necessary nor desirable to literally adhere to all provisions of the Department's implementing regulation in order to utilize the authority in the Foreign Service Act, as amended. Instead, the exact arrangement to be effected internally should be predicated upon the needs and interests of the Agency and its personnel within the confines of the adoptive authority available.

Limiting the payment of travel expenses to the permanent place of residence of CIAR retirees would preclude the applicability of the benefit to many employees retiring at Headquarters, since their permanent residence is in the Washington

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Metropolitan area. Allowing CIAR retirees the right of travel to their selected place of retirement in the United States, its territories or possessions would constitute a new and significant benefit, however, which they do not presently enjoy. On the other hand, if the Agency were to pay the travel expenses of CIAR retirees to a place of their choosing anywhere in the world, the Agency's implementation of the adoptive authority in the Foreign Service Act would amount to a major deviation from the system followed in the Department of State. We are not recommending this action in the absence of an observable compelling reason.

Since we cannot foresee what places of residence CIA retirees would choose, given the option to go anywhere in the United States, its territories or possessions, at Government expense, it is not possible to accurately estimate the future costs of this proposal. We did make, however, an analysis of some general statistics concerning CIAR retirees during Calendar Year 1967. Of a total of 68 retirements, 22 employees retired abroad and were entitled to travel expenses to a residence of their choosing under present regulations. Of the remaining 46 retirements, 22 employees (or approximately one-third of the total number of retirees) moved to a residence outside of the Washington, D. C. Metropolitan area. Based on an estimate of the average distance moved (1,362 miles), it is believed that the cost to the Agency for each such move would have been approximately $2,000, or a total of $44,000 for the 22 employees affected.

A rough indication of future costs can be computed if it is assumed that only one-third of future retirees under CIAR would continue to be the number to whom the new travel benefit would be payable, at an average rate of $2,000 per employee. Based upon Office of Personnel projections of the number of employees who will retire under CIAR in the next five years, the future cost estimates are as follows:

CY	Number Est. To Retire	Number Affected By Benefit	Est. Cost New Benefit
1968	78	X 1/3 = 26	26 X $2,000 = $52,000
1969	81	X 1/3 = 27	27 X 2,000 = 54,000
1970	106	X 1/3 = 35	35 X 2,000 = 70,000
1971	121	X 1/3 = 40	40 X 2,000 = 80,000
1972	124	X 1/3 = 41	41 X 2,000 = 82,000

The Committee consulted with the Office of Personnel on this proposal and was advised its acceptance should be of assistance in providing a tangible incentive to early retirement.

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:	EXTENSION	NO.
Deputy Director for Support Room 7D18 Hqs		DATE 30 April 1968

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. General Counsel Room 7D01, Hqs	4/30/68	4/30/68	[redacted]	To 1 - For your concurrence.
2. Legislative Counsel Room 7D01, Hqs	4/30/68	4/30/68		To 2 - For your concurrence. 25X1A
3. Executive Director-Comptroller Room 7D59, Hqs	30 Apr			To 3 - For your approval.
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5. Deputy Director for Support Room 7D59, Hqs				
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